

**BRC ASIA LIMITED**

(Incorporated in Singapore)

(Company Registration Number: 193800054G)

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**SUBSCRIPTION OF SHARES IN AND GRANTING OF A LOAN TO NUFORM SYSTEM ASIA PTE. LTD.**

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**1. Introduction**

The Board of Directors (the “**Board**” or “**Directors**”) of BRC Asia Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has today, together with Keong Hong Holdings Limited (“**KH**”), Ho Lee Group Pte. Ltd (“**Ho Lee**”), Ng Teck Huat (“**NTH**”, together with the Company, KH and Ho Lee, the “**Subscribers**” and each a “**Subscriber**”) entered into a share subscription agreement with Nuform System Asia Pte. Ltd. (“**Nuform**”) in relation to the proposed subscription by the Subscribers of a total of 5,666,667 new ordinary shares in Nuform (the “**Subscription Shares**”) at a total subscription consideration of S\$6,000,000 (the “**Proposed Subscription**”) in the following manner:

<b>Subscriber</b>	<b>Number of Subscription Shares</b>	<b>Percentage Shareholding <sup>(1)</sup></b>	<b>Subscription Consideration</b>
Company	1,166,667	10.00%	S\$1,500,000
KH	1,530,000	13.11%	S\$1,530,000
Ho Lee	1,530,000	13.11%	S\$1,530,000
NTH	1,440,000	12.34%	S\$1,440,000
Total	5,666,667		S\$6,000,000

**Note:**

(1) Based on the enlarged share capital of Nuform of 11,666,667 ordinary shares.

The Company has also today, together with KH and Ho Lee (the “**Lenders**”) entered into a loan agreement to be made between the Lenders and Nuform (the “**Loan Agreement**”) in relation to a loan made available to Nuform (the “**Proposed Loan**”) on the terms and conditions set out in the Loan Agreement. The portion of Proposed Loan to be provided by the Company is S\$1,500,000 (the “**Loan**”, together with the Proposed Subscription, the “**Proposed Transactions**”).

**2. Information on Nuform**

Nuform is a private company limited by shares incorporated in Singapore, is principally engaged in the business supplying metal formworks to the construction industry. As at the date of this announcement, Nuform has an issued and paid-up share capital of S\$6,000,000 divided into 6,000,000 ordinary shares, of which 34% is owned by Mr Lim Ewe Ghee and the balance 34% and 32% are owned by Ho Lee and NTH, respectively.

The audited net assets of Nuform as at 31 December 2015 was S\$17,460,618 and the net assets of Nuform as at 31 December 2016 based on its management accounts was S\$20,426,845. Nuform

registered a net profit of S\$2,959,421 for the financial year ended 31 December 2015 (audited) and a net profit of S\$2,966,230 for the financial year ended 31 December 2016 (unaudited) based on its management accounts. No independent valuation was conducted on Nuform.

### **3. Rationale**

The Company already has a joint venture with Nuform in Malaysia. Please refer to the Company's announcement on SGX-ST on 2 August 2016 titled "*ACQUISITION OF NUFORMSYSTEM (M) SDN. BHD.*" (the "**Announcement**"). The Directors of the Company believe that the Proposed Transactions will enhance the synergies stated in the Announcement between Nuform and the Company, strengthening the potential benefits for the Company and its shareholders from its tie-up with Nuform.

### **4. Financial Effect of the Proposed Transactions**

The proposed subscription of 1,166,667 ordinary shares in the share capital of Nuform by the Company and the Loan will be funded through the Company's internal resources. All proceeds from the Proposed Subscription and the Proposed Loan will be deposited in a reserve account which shall be used in accordance with the shareholders' agreement to be entered into between the Company, KH, Ho Lee, NTH and Nuform in relation to Nuform.

The proposed Transactions is not expected to have any material impact on the consolidated earnings per share and the consolidated net tangible assets per share of the Group for the financial year ending 30 September 2017.

### **5. Directors or Controlling Shareholders' Interests**

For purposes of disclosure, Mr Tan Lee Meng, an independent director of the Company, is also engaged as a consultant to Nuform. As a matter of prudence, he has abstained from voting in all resolutions in relation to the Proposed Transactions.

Save as disclosed above,

- (i) none of the Directors of the Company has any interest, direct and indirect, in the Proposed Transactions, other than through their respective shareholding interests in the Company (if any); and
- (ii) to the best of the knowledge of the Directors, none of the controlling shareholders of the Company has any interest, direct and indirect, in the Proposed Transactions, other than through their respective shareholding interests in the Company.

By Order of the Board

Seah Kiin Peng  
Executive Director

24 March 2017